



June 28, 2012 - Topic: State Budget

## **Brown Signs State Budget Plan Relying on Health Care Cuts, Tax Hike**

Late Wednesday, Gov. Jerry Brown (D) [signed a fiscal year 2012-2013 budget plan](#) designed to close California's \$15.7 billion deficit, the *Sacramento Bee's* "[Capitol Alert](#)" reports (Yamamura, "Capitol Alert," *Sacramento Bee*, 6/27).

Brown signed a total of 21 trailer bills that Democrats passed earlier in the day (Harmon, [Oakland Tribune](#), 6/27).

On Thursday, Brown is expected to make public his line-item vetoes ("Capitol Alert," *Sacramento Bee*, 6/27).

## **Background on Budget Process**

On June 15, lawmakers sent the primary budget bill ([AB 1464](#)) to Brown, but they did not vote on most of the trailer bills that included proposals on cutting programs and raising revenue because they had not yet reached a final budget deal with Brown.

Last week, Democrats and Brown [announced a FY 2012-2013 budget deal](#).

Wednesday marked the 12-day deadline from when Brown received the main budget bill. According to state law, the governor had to sign or veto the budget plan by midnight.

## **Details of Budget Plan**

The budget plan:

- Eliminates Healthy Families -- California's Children's Health Insurance Program -- and move the 880,000 children enrolled in the program to Medi-Cal, California's Medicaid program;
- Reduces state child care assistance by 8.7%, which would reduce the number of slots available to low-income families by 10,600;

- Reduces In-Home Supportive Services workers' hours by 3.6%;
- Phases in a two-year time limit for new beneficiaries to find work under CalWORKs, the state's welfare-to-work program; and
- Requires higher graduation rates for colleges and universities to qualify for state college aid and reduce financial aid to college students.

The budget plan relies on voters approving a [compromise tax hike initiative](#) developed by Brown and supporters of the "Millionaires Tax" ([California Healthline](#), 6/27).

According to the *Tribune*, the budget plan includes a "trigger provision" that would cut \$5.9 billion from public schools if the tax hike does not pass (*Oakland Tribune*, 6/27).

## **GOP Response**

Republican lawmakers have criticized the budget plan, saying it relies heavily on accounting gimmicks and tax revenue that might not materialize (Megerian, [Los Angeles Times](#), 6/28).

Assembly member Jim Nielsen (R-Gerber) -- vice chair of the Assembly Budget Committee -- said more budget negotiations will be necessary. He said, "We will be back, continuing through August and likely early next year because this budget won't work." Nielsen said, "It's based on taxes that will probably not pass. It's a roll of the dice, but a poor one" (Yamamura, [Sacramento Bee](#), 6/28).

Republicans argued against the elimination of Healthy Families and threatened to withhold votes to extend a health care provider fee that would generate \$183 million for the state.

That vote is expected later this year (*Los Angeles Times*, 6/27).

## **Broadcast Coverage**

Headlines and links to broadcast coverage of Brown signing the budget plan are provided below:

- "[California Governor Jerry Brown Signs Budget](#)" (Quinton, "KXJZ News," Capital Public Radio, 6/27).
- "[Budget Bills Seen as Prelude](#)" (Small, "The California Report" KQED, 6/27).

Read more: <http://www.californiahealthline.org/articles/2012/6/28/brown-signs-state-budget-plan-relying-on-health-care-cuts-tax-hike.aspx?p=1#ixzz1z6qihZyi>

